

SENATE BILL 3492
By Ketron

AN ACT to amend Tennessee Code Annotated, Title 66,
Chapter 34, relative to the "Prompt Pay Act of
1991".

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 66-34-301, is amended by
designating the existing language as subsection (a) and by adding the following language as a
new subsection:

(b) On or after the effective date of this act, every contract entered into in
this state for the improvement of real property to which this chapter applies, shall
contain a clause which in substance states that if a contractor has submitted a
timely application for payment pursuant to §66-34-202 and the owner or the
representative of the owner has not paid the full amount owing under the
application submitted, the contractor shall not be in breach of contract if the
contractor stops performing work under such contract until the contractor is paid
in full for work performed.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring
it.